
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel Jacobs

Chair

Marshall Johnson

Commissioner

Dee Knaak

Commissioner

Mac McCollar

Commissioner

Don Storm

Commissioner

To: UtiliCorp United, Inc.
Attn: Teresa M. Bird
Regulatory Analyst
1815 Capitol Avenue
Omaha, Nebraska 68102

SERVICE DATE: OCTOBER 30, 1996

DOCKET NO. G-007/M-96-163

In the Matter of the Petition of **Northern Minnesota Utilities** for Approval of its Annual Conservation Cost Recovery

The above entitled matter has been considered by the Commission and the following disposition made:

The Commission:

- * began imputing CIP recovery through rates in the NMU's CIP tracker as of August 1, 1993;
- * changed the effective date for NMU to begin booking carrying charges in its CIP tracker from October 1, 1992 (as recommended in the Department's May 22, 1996 comments) to August 1, 1993;
- * excluded sales to Boise Cascade when imputing CIP recovery through rates in the Company's CIP tracker and in applying the CCRA;

- * imputed CIP recovery through rates, both past and future, using a uniform (i.e., same for all customer classes) Conservation Cost Recovery Charge (CCRC) of \$0.01293 per Mcf based on test-year CIP operating expenses divided by test- year sales (excluded Boise Cascade test-year sales);

- * required NMU to apply the CCRA to transportation customers beginning on a going-forward basis;

- * modified the design of NMU's approved annual CIP adjustment mechanism to allow the Company to develop customer class-specific CCRA's based on the class-cost-of-service allocations in the Company's last rate case;

- * required NMU to submit within 30 days of the Commission's Order in this matter a sample revised Tariff Sheet No. 20 showing the revised CCRAs, and

- * approved NMU's request for a variance to Minn. Rules parts 7820.3500 and 7825.2700.

The Commission agrees with and adopts the recommendations of the Commission Staff and the Department of Public Service which are attached and hereby incorporated in the Order.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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